



GROUP COMMON BOARD MEETING

**ONGO PARTNERSHIP LTD (Company Registration Number: 08048224)
and ONGO HOMES LTD (FCA Mutuals Registration No 7639) (the Association)**

**Held by MS Teams
on Tuesday 25 January 2022 at 2.30pm (the Meeting)**

MINUTES

Present:

Group Common Board: Bob Walder (Chair), Tim Mills, Steve Hepworth, Melvin Kenyon (Senior Independent Director), Michael Finister-Smith, John Wright, Rachel Cook, Helen Lennon, Paul Warburton, Liz Cook (from 3.52pm to 4.30pm)

Officers: Ashley Harrison, Jo Sugden, Pete Stones, Karen Cowan, Fiona Ruddick (Minutes), Kevin Hornsby

Apologies: Paula Gouldthorpe, Natalie Cresswell

Absence: None

Also Present: Wendy Wolfe and Jane Crookes both joined after agenda item 5.2

Time meeting opened: 2.32pm

Declarations of Interest: Paul Warburton declared he works as consultant for DTP and declared an interest in agenda item 11.1. Steve Hepworth declared an interest as a Trustee of North Lincolnshire Citizens Advice Bureau (CAB) who are working with Ongo on the hardship scheme.

Confidential items: Agenda item number 3.2 and 8.

Time meeting opened: 2.31pm

3. Agenda item 3: Minutes of Previous Meetings & Matters Arising

The minutes from the meeting held on 1 December 2021 (open and confidential) were agreed as a true and accurate record, subject to capturing an action around VFM from page 8 of the open minutes. These will be signed by the Chair. The Board noted and accepted the notes from the Away Day held on 26 November 2021.

2. Agenda item 4: Action List

All actions were updated as per the action list provided in the meeting pack.

3. Agenda item 5: Review delivery of the overall strategy and financial plan

3.1 Agenda item 5.1: Business Plan 2022-23: Base Plan and Sensitivities

Summary: The business plan including peak debt, covenant compliance and financial performance is considered annually and is sensitivity and stress tested in relation to various factors that may affect the business.

Base assumptions for the 22/23 plan were previously presented to the Board in September 2021, and discussion around the base business plan and required sensitivity analysis and stress testing also took place at the Group Audit & Risk Committee (GARC) meetings held in October and December 2021. The business plan information presented in this report is compiled based on the assumptions previously presented to Board and GARC with the exception of those parameters that have changed in the interim such that the previous assumption would now be fundamentally inaccurate.

Discussion points/questions:

- Ashley Harrison presented the information to Board for consideration.
- A Member asked if additional new builds could be included into the base plan. To do this, the covenant would have to be amended as any additional new builds would be in breach of that. The Chair felt this is something that should be reviewed in the future so new build aspirations were not restricted by a covenant.
- A suggestion was made that the inflation assumptions in the base plan seemed low given recent trends. Ashley Harrison confirmed he would revisit these using the latest industry projections and his professional judgement.
- A Member commented that an increase in costs appears offset by a rent increase.
- Suggestions within the sector are the Government are content with where registered providers are with rents. Whilst there does not seem to be any suggestion the government will make any big changes to how rents are regulated, Members were reminded to be cautious in this regard.
- Within the business plan rent has been factored in for CPI+1% for the period the Government have said this can be done. After that time, it reverts to CPI.

Ongo Partnership and Ongo Homes Agreed: The Board:

- approved the base business plan as presented.
- considered the individual sensitivities applied to the base plan and confirmed that it is satisfied that these adequately test the base plan.
- advised of any specific combinations of sensitivities which it wishes to have evaluated as combined stress scenarios.

3.2 Agenda item 5.2: Budget 2022/23

Summary: The Board must approve a budget for financial year 2022-23. This paper considers the initial version of the budget for Ongo Homes and Ongo Partnership. The individual budgets for Communities and Commercial businesses are included for any initial observations that the board wishes to make, as these have yet to be approved by the respective subsidiary boards at their upcoming board meetings.

Discussion points/questions:

- It was explained the subsidiary company budgets have not yet been presented to those Boards.
- There is a £30million investment identified for new properties that will contribute towards decarbonisation.
- The first fixed loan from Barclays is due to be paid back during this period.
- Members thanked officers for an excellent report.

- A Member stated they had seen within the management accounts a number of areas of underspend. They asked if there was an opportunity between now and March where this might be spent and any amendments made within the budget. It was explained those areas of underspend had been reviewed at all operational levels and where appropriate, forecast into this budget.

Ongo Partnership and Ongo Homes Agreed: The Board considered

- the initial drafts of the Ongo Homes and Ongo Partnership budgets for 2022-23 and advised of any changes required to allow for finalisation and presentation to the Board for final approval at the March 2022 Board meeting.
- the initial drafts of the Ongo Communities businesses and Ongo Commercial businesses budgets for 2022-23 and provided any views, advice or required amendments to the subsidiary boards ahead of the individual board meetings.

Wendy Wolfe and Jane Crookes joined the meeting at 3.03pm.

3.3 Agenda Item 5.3: Management Accounts and Performance

Summary: The report and management accounts provide information on the financial performance of the group for the period April to September 2021. This report presents the management accounts including financial golden rules of Ongo Communities, Ongo Recruitment and Crosby Brokerage.

Discussion points/questions:

- The underspend referred to in the above item related to capital works for major works on current stock. It was unrealistic this work would be completed before the end of this financial year. Carrying over this work to the next financial year does not cause an issue for the existing stock.
- There are a small number of new development schemes that have moved to next year. Other projects carrying over include a new heating system at one of our sheltered schemes and roofing works to a high rise building.

Ongo Partnership and Ongo Homes Agreed: The Board noted the

- contents of the report and associated information and approved the management accounts of Ongo Homes for the period.
- red status of three, and amber status of a further three business plan stress test indicators and will continue to consider the impact of rising inflation on future costs and the April 2022 rent increase.

3.4 Agenda item 5.4: Annual Rent and Service Charge

Summary: This report covers recommended increases for annual rent setting, and how we manage the Rent Standard/Legislative requirements in respect of all rent types within our stock. Proposals also include Service Charges for the coming year which relate to actuals collated from a prior 12 month period. It also includes a self assessment against the Regulator of Social Housing (RSH) regulatory standard for Rent.

Discussion points/questions:

- Due to the cyclical timing of market rent, there are 600 properties that will need to be reviewed at the end of their five year tenancy.

- A recent internal audit gave substantial assurance on rent setting.
- A similar report was shared with Community Voice (CV) recently and Members wanted to hear feedback from that.
- Melvin Kenyon, in his role as Senior Independent Director had been present at that meeting. He felt that had been some push back from attendees but felt it was important to draw out the issues. He added that Kevin Hornsby had presented the report to CV well.
- Tim Mills was also present at CV and he agreed with Melvin in that there had been some concerns from some people also thinking about other costs rising e.g. heating. He felt the overall feeling was that of support and it was something the organisation needed to do to continue to provide the same level of service.
- The report referred to the average rent levels for other registered providers with properties in the area. A Member asked if it was known what those organisations were doing. Whilst not confirmed, it is understood they are all proposing to make the full increase available to them.
- As part of their employment, a Member is working with 12 registered providers looking at rent reviews and all of those organisations are going for the maximum rent increase. They felt the report was well written and supported the proposals within it. They felt that for correctness, the recommendations should be for our rents to be formula plus 1%. When writing the rent policy, they felt it should be clear that flexibility levels referred to in paragraph 3.2, it should be made clear this flexibility is now contributing towards the carbon reduction work.
- A Member fully understood and supported the proposals and felt communication around this was absolutely key.
- The organisation has to recognise the challenges that will arise in making these rent increases. The Income Collection team have done a good job in getting Ongo Homes' rent arrears to a good level. This increase will add an additional challenge to their work.
- Kevin Hornsby summarised his findings of the CV meeting. Two attendees highlighted quite personal circumstances to them and one was very positive in support of Ongo Homes to continue to develop new homes.
- He went on to explain to Board about a hardship fund. This is £125,000 to support tenants in need. It is about promoting work with the credit unions and allowing Ongo to continue to support its tenants. Officers will work with CAB to provide a debt service which will be accessible to tenants.
- The Chair added that communications was not just about a few key messages but continued information and communication from all staff, especially those who go out to meet tenants or visit their homes.

Ongo Homes Agreed: Acting for Ongo Homes the Board agreed to increase rents in line with the 2020 Rent Standard requirement, and the Government Welfare Reform and Work Act 2016 as follows:

- All existing Social rents (including any Mortgage rescue rents) and Affordable rents are increased by the maximum uplift of 4.1% from the 2021/22 weekly rate.
- All social rents continue to be assessed when the property becomes void and will be re-let at the full flexibility level – i.e. 105% of target rent for general needs and 110% of target rent for supported rent properties as per 3.2 of the report.
- All Affordable rents continue to be rebased when a property becomes void to 80% of Market rent or Formula rent, whichever is the greater, as directed in the Rent Standard.

- For continuing tenancies, all Affordable rents will be reviewed every 5 years to ensure charges are no higher than 80% of Market rent as detailed in 4.3 of the report. A Market Rent valuation should also be undertaken to assess our newly acquired stock in Lincoln.
- Market rents (used to measure/calculate the % of Affordable Rent) for new build properties and re-based properties are increased by 1.5% respectively as advised by the District Valuer (DV) as detailed in 4.4 of the report.
- That rents for Rent to Buy properties continue to be increased each year on the renewal date of the fixed term tenancy. The rent applied will be Consumer Price Index (CPI) inflation measure +1% but should not exceed 80% of Market Rent as detailed in 4.5 of the report.
- That a further freeze on Garage rents for 2022/23 is agreed as per 4.7 of the report.
- That the Board approved the proposed range of service charges for 2022/23 shown in Appendix 2.
- That the Rent and Service Charge Setting Policy is updated as necessary to align with this report.
- That the above increases take effect from the first Monday in April 2022.
- The Board considered the self assessment against the RSH Rent Standard which demonstrates we believe Ongo Homes to be fully compliant.

4. Agenda item 6: Chief Executive's Report

Summary: This report provides a review of our approach to activity undertaken to achieve the key strategic objectives agreed in the Ongo Corporate Plan 2019-2023 and the Key Performance Indicator report tracks progress against these strategic objectives. There is also an update on our arrangements to cope with the Covid-19 pandemic.

Discussion points/questions:

- Steve Hepworth explained that Ongo are taking a slower pace to relaxing Covid restrictions. The offices re-open next week for staff to work from if they would like. Meeting rooms will re-open the week after and will have restricted numbers.
- From Friday this week the repairs system will return to a full repair service accepting appointments for non-emergency repairs.
- A change in our ICT systems was explained to Board Members. To minimise the risk of impersonation emails being sent by fraudsters, any email that comes into Ongo that has the same name as somebody who has an Ongo account, is flagged up as a possible impersonation email. ICT are changing how the system deals with these emails following a trial. To help keep our data secure staff and Board Members are being advised they should only be sending Ongo data to/from Ongo email accounts.
- Recognising that Board Members are busy, a process has been set up so that when they receive an email to their Ongo email account, they can have a system generated email alert to a non-Ongo email advising them they have an email to check. This will provide them with the web link to access Ongo emails so they can check the data.
- Staff are still able to send calendar invitations to non-Ongo emails providing there is no data within that invite other than a Teams invite that requires non-Ongo accounts to be permitted into the meeting via a lobby.
- Colleagues are working through the Best Companies survey results still. Leaders and Managers have done a great job throughout the pandemic. Some cross team working has not gone as well during that time and needs to be improved.

Ongo Partnership and Ongo Homes Agreed: The Board:

- considered this report and the performance data at Appendix 1 detailing progress made towards meeting the Corporate Plan strategic priorities and debated the issues affecting the sector, highlighting any additional work or activities required; and
- noted the current situation in relation to the Coronavirus pandemic and discussed as required.

5. Agenda Item 7: Strategic Development Plan

Summary: The 2021-26 Strategic Development Plan was approved by the Board at its January 2021 meeting. Accompanying the strategic plan was an action plan and it was agreed that an annual report detailing progress against this action plan would be presented to Board.

Attached as Appendix 1 is details of the current progress against the action plan.

Discussion points/questions:

- A Member stated the report was well written and includes lots of information around supply and the impact of covid. They asked if the target for the annual number of properties to be built was achievable.
- Pete Stones felt this was achievable as more schemes are coming available to Ongo. As it continues to grow and build new relationships with developers, land owners and local authorities, the number of opportunities increases.
- A lot of the potential schemes are now for larger sites, often outside of North Lincolnshire. An opportunity for a 60 scheme development was presented yesterday in the Doncaster region.
- Officers are designing the programme so they have more control over sites, rather than sites consisting of several S.106 opportunity builds.

Ongo Partnership and Ongo Homes Agreed: The Board discussed the progress against the Development strategy action plan and confirmed that they are satisfied with current progress.

Liz Cook joined the meeting at 3.52pm.

6. Agenda Item 8: Asset Management Plan

Summary: The draft Asset Management plan is very different to previous versions. Whilst it still covers the essentials in property Asset management such as continuous planned investment in the stock, efficient and effective maintenance services, ensuring best use of assets etc. it also addresses the changing environment around Asset Management. The draft plan takes account the shift over the last five years towards more focus on investment in compliance and mechanical and electrical improvements and looks to address the challenges around the new Building Safety legislation, the Carbon Reduction agenda, the pending Decent Homes 2 standard and the requirements of the Housing White paper.

Discussion points/questions:

- A Member commented that resilience against the impact of climate change e.g. flood defences, the increase in pests should be considered, not just carbon reduction.
- In response to a question about the quality of the data, Pete Stones explained the data is good quality and improving daily. As the surveyors work through the cycle of property inspections the data improves.

- A Member questioned whether the move to heat pumps would be good for Ongo tenants in the longer term, given the issues around fuel poverty. Air source heat pumps can be expensive to run due to high electricity costs. Pete Stones felt this was an area that needed to change to enable the shift to low carbon heating to be successful.
- Alternative heat sources also rely on a property being efficient e.g. it needs to be airtight and not leak energy. Ongo Homes is on a journey to get to that point.
- A Member felt staff needed to be in touch with this change and be able to communicate with tenants effectively around it.

Ongo Partnership and Ongo Homes Agreed: The Board debated the Plan and agreed the key contents of the Draft Asset Management Plan. Following discussion, any amendments/additions will be made and the final document will be presented to the Group Common Board for approval at its March meeting.

7. Agenda Item 9: Health, Safety and Wellbeing

Summary: Ongo has a duty of care to all stakeholders, including our employees, customers, and contractors. We have a legal obligation to comply with various Health and Safety legislation and regulation, with serious consequences if we fail to do so. Board members must play a key role in setting the tone from the top, the risk appetite and providing oversight for Health and Safety. Board members must satisfy themselves that Ongo is effectively managing the risk.

Discussion points/questions:

- Both the Face Fit and health surveillance sessions have been successful.

Ongo Partnership and Ongo Homes Agreed: The Board confirmed that they are satisfied with the management of Health, Safety and Environment arrangements set out in the report.

8. Agenda Item 11: Strategic Risk Register

Summary: Risk is the possibility of an event and the consequences it has on the achievement of objectives, both at a strategic and operational level. Robust Risk Management is an essential element of effective Governance and a strong internal control environment. The latest assurance statement of the effectiveness of the Risk Management Framework was presented to Board in September 2021. As part of the annual review for 2021 the Risk Management Framework has been revised alongside the Strategic Risk Register.

Discussion points/questions:

- Mike Finister-Smith felt the work Ongo does around risk and how it is managed within the organisation is good. It made his job as Chair of Audit & Risk Committee much easier.
- A Member commented the Audit & Risk Committee had gone through the amends to the framework in depth at their last meeting. They commented it was a good piece of work and they liked the introduction of GUARDED.

Ongo Partnership and Ongo Homes Agreed: Board reviewed and approved the revised Risk Management Framework and reviewed the current strategic risk register and agreed amendments.

9. Agenda Item 11: Governance

9.1 Agenda Item 11.1: Board Effectiveness Review

Summary: The NHF Code of Governance 2020 (the Code) was adopted by the Board for the whole group w.e.f. 1 April 2021. The Code has a requirement at point 3.9 (1) that Boards and Committees should annually consider their effectiveness and how they conduct their business. There are a number of items specifically for Board to consider. These items are included as standard on all agendas within the "Time for Reflection" section. This should be used as a prompt by Chairs and Members to consider at the end of each meeting as they are reflecting on that meeting. They should be used to capture any real time thoughts and considerations based on the meeting.

Discussion points/questions:

- The external report had been received quite late and officers did not have the time to review it in detail as they would have wished. Officers did want to query some of the comments raised by DTP, especially around the Commercial Board.
- The commercial meeting observed had officers presenting who had only presented to Board once or twice previously. The Commercial Board has been on a journey to improve the businesses from a poor financial situation.
- Members wondered whether the comments should have been separated out so Group Common Board comments were separate from the rest of the report.
- A Member commented they felt the report suggested there were no real issues to be found and those items found were minor and made for the sake of making.

Ongo Partnership and Ongo Homes Agreed:

- The Board asked for some areas of the report to be queried with DTP.

9.2 Agenda Item 11.2: Value for Money (VFM)

Summary: In accordance with the annual policy review schedule, the VFM Framework has been reviewed externally by DTP, with additional feedback provided by Campbell Tickell. Following from the last update, the report also suggests targets for the next financial year.

Discussion points/questions:

- The updates on VFM are improving and a Member proposed VFM could consider its link more to the corporate objectives and focus on where resources go.

Ongo Partnership and Ongo Homes Agreed: The Board:

- read and considered the revised VFM framework and approved the new document for use;
- noted it is not considered feasible for the VFM Savings target to be stretched out beyond a 12 month period. This followed their request to investigate whether the VFM action plan could contain a VFM savings targets stretched out over three financial years, rather than just the next 12 months only;
- approved the proposed VFM savings target for the 2022/23 financial year, as detailed in 4.5.

9.3 Agenda Item 11.3: Governance Update

Summary: This report aims to provide an update on any recent regulatory judgements and gradings to ensure Board are fully aware of any recent changes in the sector, including any other

updates from the Regulator. It also covers any other areas of governance which requires board approval or discussion.

Discussion points/questions:

- Jo Sugden explained Campbell Tickell are doing a piece of work to support our preparations for an In Depth Assessment (IDA). If any Board Member would like to have a mock interview as part of this work, they should let Jo know so this can be arranged.

Ongo Partnership and Ongo Homes Agreed: The Board noted:

- the gradings under review and regulatory judgements and discussed any learning;
- the upcoming work relating to the In-depth Assessment (IDA) Preparedness Exercise;
- the consultation on the new tenant satisfaction measures.

9.4 Agenda Item 11.4: Social Housing White Paper

Summary: It has been a year since the Social Housing White Paper was published. This report provides an overview of work carried out to prepare for the changes identified in the paper.

Discussion points/questions:

- In anticipation of the new tenant satisfaction measures, officers will start collecting the data now.
- Community Voice are actively looking to engage new members and have had seven interested people observe recent meetings.
- A strength of Community Voice is it allows officers to have really in depth conversations with that group of tenants.
- The organisation has moved to digital surveys to gauge tenant satisfaction and work is ongoing in this area.

Ongo Partnership and Ongo Homes Agreed: The Board

- considered the implications of the White Paper, the progress so far and debated emerging risks around achieving compliance with the social housing white paper.
- will continue monitor emerging legislation and ensure Ongo is able to implement remaining changes required in accordance with statutory timescales.

10. Agenda Item 12: Decisions Taken by Convene in Advance

Summary: To alleviate the amount of paperwork to be considered at this meeting, three policies and one report had been circulated in advance of the meeting on Convene for approval. These were the Board Remuneration Policy, Treasury Management Policy and Framework and Ongo Communities Board Membership.

Discussion points/questions

- Fiona Ruddick reported that all three decisions had been approved via Convene by ten out of the 12 Members.

Ongo Partnership & Ongo Homes Agreed: The Board confirmed they were happy to accept these approvals as granted by the majority.

Board Remuneration Policy: approved a recommendation from the Governance & Remuneration Committee to change the Board Remuneration Policy as per the attached appendix. These revisions have been made as part of the required annual light touch review of the policy. Changes are mainly to wording to improve readability and clarity and there is also a recommendation to reduce the external review period from three years to two years. Allow officers to instruct an external company to undertake a review of Board Remuneration levels; and seek up to date tax advice from Ongo's external tax advisers on Board remuneration

Treasury Management Policy: formally approved the revised Treasury Management Policy following a review and appropriate sign-off by the Executive Leadership Team.

Communities Board Membership: Acting for Ongo Partnership Ltd as Parent of Ongo Communities Ltd to re-appoint Helen Lennon as Trustee to Ongo Communities Ltd in accordance with Article 9.2.4 and 11.2 of Ongo Communities Articles of Association w.e.f. 11 March 2022.

The following people left the meeting at 4.41pm: Wendy Wolfe, Jane Crookes, Ashley Harrison, Jo Sugden, Pete Stones and Kevin Hornsby.

Mo Mathieson joined the meeting at 4.42pm.

11. Agenda Item 13: Confidential

See separate confidential minutes.

12. Agenda Item 14: Confidential

See separate confidential minutes.

13. Agenda Item 15: Other Board and Committee Updates

13.1 Agenda Items 15.1: Minutes and 15.2: Assurance Update from Board and Committee Chairs
Minutes from all other Board and Committee meetings are available for Members to view within the Document Library in Convene. The updates provided by the subsidiary Chairs were shared in the meeting pack and all noted.

14. Agenda item 16: Attendance List

The attendance list was noted.

15. Agenda item 17: Time for Reflection

A Member commented it was a good set of papers. At times there were minimal comments from Board Members, but this was on reports that did not need a lot of discussion.

With no further business, the meeting closed at 4.51pm.

Signed by Chair: Date:

As a true and correct record of the Group Common Board meeting held on 25 January 2022.